STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OUR CAS AND MINING	FOF	RM 3						
DIVISION OF OIL, GAS AND MINING	FORM 3 AMENDED REPORT							
APPLICATION FOR PERMIT TO DRILL 1. WELL NAME and N	1. WELL NAME and NUMBER OPAL 1410-3L							
	3. FIELD OR WILDCAT							
DRILL NEW WELL D REENTER P&A WELL DEEPEN WELL	HELPER							
4. TYPE OF WELL Oil Well Coalbed Methane Well: NO 5. UNIT or COMMUN	5. UNIT or COMMUNITIZATION AGREEMENT NAME							
6. NAME OF OPERATOR KERR-MCGEE OIL & GAS ONSHORE, L.P. 7. OPERATOR PHON	7. OPERATOR PHONE 720 929-6515							
8. ADDRESS OF OPERATOR P.O. Box 173779, Denver, CO, 80217 9. OPERATOR E-MA julie.	IL .jacobson@anadarko.d	om						
(FEDERAL, INDIAN, OR STATE)	12. SURFACE OWNERSHIP FEDERAL INDIAN STATE FEE							
01 01 Int 40000	ER PHONE (if box 12 :							
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee') 16. SURFACE OWNER	ER E-MAIL (if box 12	- 'foo')						
	ER E-MAIE (II DOX 12	- 166)						
17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN') 18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS YES (Submit Commingling Application) NO VERTICAL D	DIRECTIONAL HO	ORIZONT	AL 🛑					
20. LOCATION OF WELL FOOTAGES QTR-QTR SECTION TOWNSHIP	RANGE	МЕ	RIDIAN					
LOCATION AT SURFACE 1610 FSL 870 FWL NWSW 3 14.8 S	10.0 E		S					
Top of Uppermost Producing Zone 1610 FSL 870 FWL NWW 3	10.0 E		S					
At Total Depth 1610 FSL 870 FWL NWSW 3 14.0 S	10.0 E		S					
21. COUNTY UINTAH 22. DISTANCE TO NEAREST LEASE LINE (Feet) 23. NUMBER OF ACF	RES IN DRILLING UNIT	г						
25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Prilling & Complete) 26. PROPOSED DEP	26. PROPOSED DEPTH MD: 8250 TVD: 8250							
	29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE							
5802 22013542	MUNICIPAL	PLICABI	LE					
Holl Casing, and Cement Information								
String Hole Size Casing Size Length Weight Grade & Thread Max Mud Wt. Cement Surf 17.5 13.375 0-300 48.0 H-40 ST&C 8.4 Type V	Sacks	Yield 1.15	Weight 15.8					
Class G	270	1.15	15.8					
I1 12.25 9.625 0 2600 36.0 J-55 LT&C 8.4 Premium Lite High Stre		3.38	12.5					
50/50 Poz	280	1.31	14.3					
Prod 8.75 7 0 - 8250 29.0 HCP-110 LT&C 12.0 Premium Lite High Street		3.38	12.0					
50/50 Poz	520	1.31	14.3					
ATTACHMENTS								
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES								
WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER COMPLETE DRILLING PLAN								
AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE) FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER								
DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED) TOPOGRAPHICAL MAP								
NAME Cara Mahler TITLE Regulatory Analyst I PHONE 720 929-6029								
SIGNATURE DATE 10/03/2013 EMAIL cara.mahler@anadarko.com								
API NUMBER ASSIGNED 43047540310000 APPROVAL	API NUMBER ASSIGNED 43047540310000 APPROVAL							

Drilling Program Opal 1410-3L 1 of 4

Kerr-McGee Oil & Gas Onshore, L.P.

OPAL 1410-3L

Surface: 1610 FSL / 870 FWL NWSW BHL: 1610 FSL / 870 FWL NWSW

Section 3 T14S R10E

Carbon County, Utah Mineral Lease: ST UT ML 45805

DRILLING PROGRAM

1. & 2.

DRILI	LING PROGRAM						
Estimated Tops of Important Geologic Markers: Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:							
<u>Formation</u>	<u>Depth</u>	<u>Resource</u>					
Mancos	0 - Surface						
Ferron Sandstone	1,747	Gas					
Dakota	2,567'	Gas					
Morrison	3,197'	Gas					
Curtis	4,277'						
Entrada	4,477'	GAS					
Navajo	5,917	WATER					
Kayenta	6,087	GAS					
Wingate	6,132'	GAS					
Chinle	6,472'						
Moenkopi	6,997'	OIL					
Kaibab	8,247'						
TVD	8,250'						
TO	8,250'						

Pressure Control Equipment (Schematic Attached)

Please refer to the attached Drilling Program

4. **Proposed Casing & Cementing Program:**

Please refer to the attached Drilling Program

5. **Drilling Fluids Program:**

Please refer to the attached Drilling Program

Evaluation Program: 6.

Please refer to the attached Drilling Program

7. **Abnormal Conditions:**

Maximum anticipated bottom hole pressure calculated at 8250' TVD, approximately equals (0.61 psi/ft = actual bottomhole gradient) 5,033 psi

Maximum Anticipated Bottom Hole Pressure (MABHP) = Pore Pressure at TD

Drilling Program 2 of 4

Maximum anticipated surface pressure equals approximately 3,239 psi (bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot, per Onshore Order No. 2).

Per Onshore Order No. 2 - Max Anticipated Surf. Press.(MASP) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac gradient x TVD of next csg point))

8. Anticipated Starting Dates:

Drilling is planned to commence immediately upon approval of this application.

9. <u>Variances:</u>

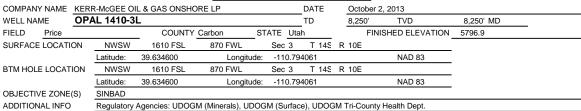
None

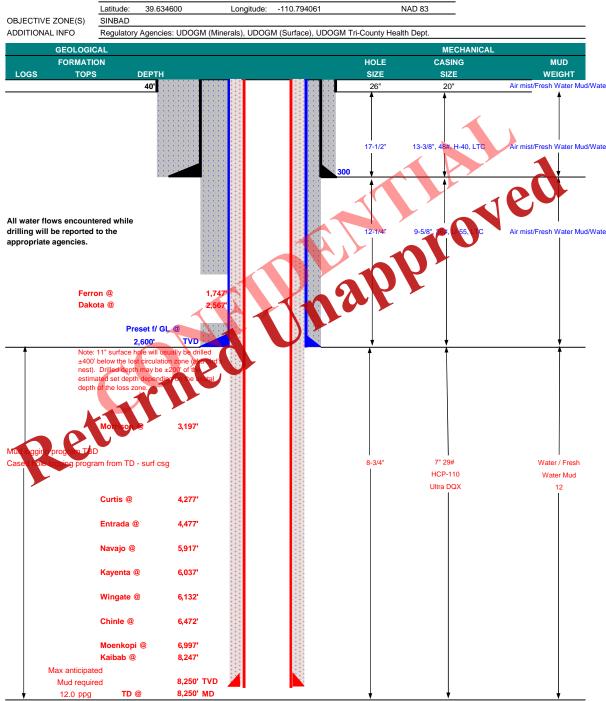
10. <u>Other Information:</u>

Please refer to the attached Drilling Program.



KERR-McGEE OIL & GAS ONSHORE LP <u>DRILLING PROGRAM</u>





DESIGN EACTORS



KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

CASING PROGRAM

								DESIGNATIONS			
										LTC	DQX
	SIZE	II.	NTERVAL		WT.	GR.	CPLG.	BURST	COLLAPSE	TEI	NSION
CONDUCTOR	20"		0-40'								
SURFACE	13-3/8"	0	to	300	48.00	H-40	LTC	1730	740	322000	
INTERMEDIATE	9-5/8"	0	to	2,600	36.00	IJ-55	LTC	3520	2020	453000	
	SIZE INTERVAL WT. GR. CPLG. BURST COLLAPSE TENSION 20" 0-40' 13-3/8" 0 to 300 48.00 H-40 LTC 1730 740 322000 9-5/8" 0 to 2,600 36.00 IJ-55 LTC 3520 2020 453000										
PRODUCTION	7"	0	to	8,250	29.00	HCP-110	DQX	9960	7800		693000

Surface Casing:

(Burst Assumptions: TD = 12.0 ppg) 0.73 psi/ft = frac gradient @ surface shoe

Fracture at surface shoe with 0.1 psi/ft gas gradient above (Collapse Assumption: Fully Evacuated Casing, Max MW)

(Tension Assumptions: Air Weight of Casing*Buoy.Fact.of water)

Production casing:

(Burst Assumptions: Pressure test with 8.4ppg @ 9000 psi) 0.61 psi/ft = bottomhole gradient (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of we

CEMENT PROGRAM

O	DECODURED	Sau aug	-W0-00	1115151	
F1. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
300'	Premium cmt + 2% CaCl	250	35%	15-80	1.15
	+ 0.25 pps flocele				
as required	Premium cmt + 2% CaCl	as req.		8	1.15
2,100'	Premium Lite II +0.25 pps	390 🚄	35%	12.50	3.38
	celloflake + 5 pps gilsonite + 10% gel				
	+ 0.5% extender				
500'	50/50 Poz/G + 10% salt + 2% gel	280	35%	14.30	1.31
	+ 0.1% R-3				
4,950'	Premium Lite II - 0.25 pps	270	35%	12.50	3.38
	celloflake + 5 pps gilsonite + 10% gel				
	+ 0.5% extende				
3,300	50/50 F62/G + 10% salt + 2% gel	520	35%	14.30	1.31
	+ 1 % R-3				
	as required 2,100' 500' 4,950'	Premium cmt + 2% CaCl + 0.25 pps flocele r as required Premium cmt + 2% CaCl 2,100' Premium Lite II +0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender 500' 50/50 Poz/G + 10% salt + 2% gel + 0.1% R-3 Premium Lite II +0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.1% R-3 Celloflake + 5 pps gilsonite + 10% gel + 0.5% extente 50/50 Poz/G + 10% salt + 2% gel	300' Premium cmt + 2% CaCl 250 + 0.25 pps flocele as required Premium cmt + 2% CaCl as req.	Premium cmt + 2% CaCl	300' Premium cmt + 2% CaCl 250 35% 45.80

Substitute caliper for volume plus 0% excess for LEAD if accurate caliper is obtained *Substitute caliper tolk column plus 10% excess for TAIL if accurate caliper is obtained

FLOAT EQUIPMENT & CENTRALIZE

SURFACE

de shae 1 thosert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe



oat shoe, 1 jt, float collar. A centralizer on the first 3 joints off bottom and every joint thereafter up to the 2nd joint within the surface shoe.

PRODUCTION

loat shoe, 1 jt, float collar. A centralizer on the first 3 joints off bottom and every joint thereafter up to the 2nd joint within the surface shoe.

ADDITIONAL INFORMATION

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

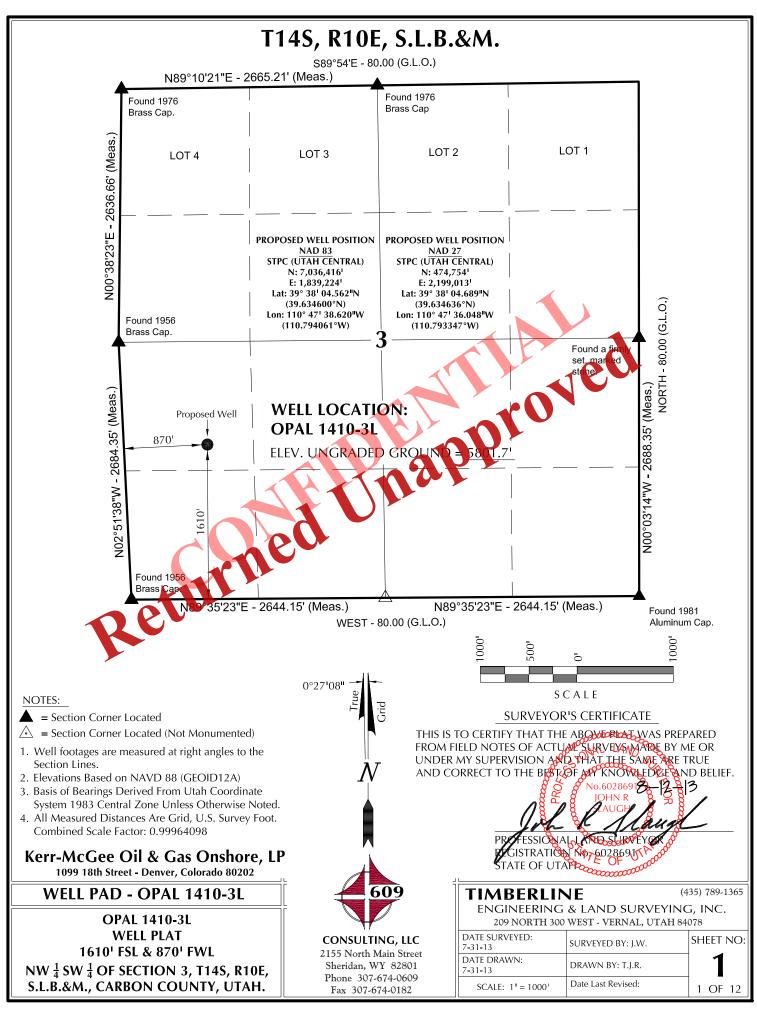
BOPE: 11" 5M with one annular and 2 rams. The BOPE will be installed before the production hole is drilled and tested to 5,000 psi (annular to 2,500 psi) prior to drilling out the surface casing shoe. Record on chart recorder and tour sheet. Function test rams on each trip. Maintain safety valve and inside BOP on rig floor at all times. Most rigs have top drives; however, if used, the Kelly is to be equipped with upper and lower kelly valves.

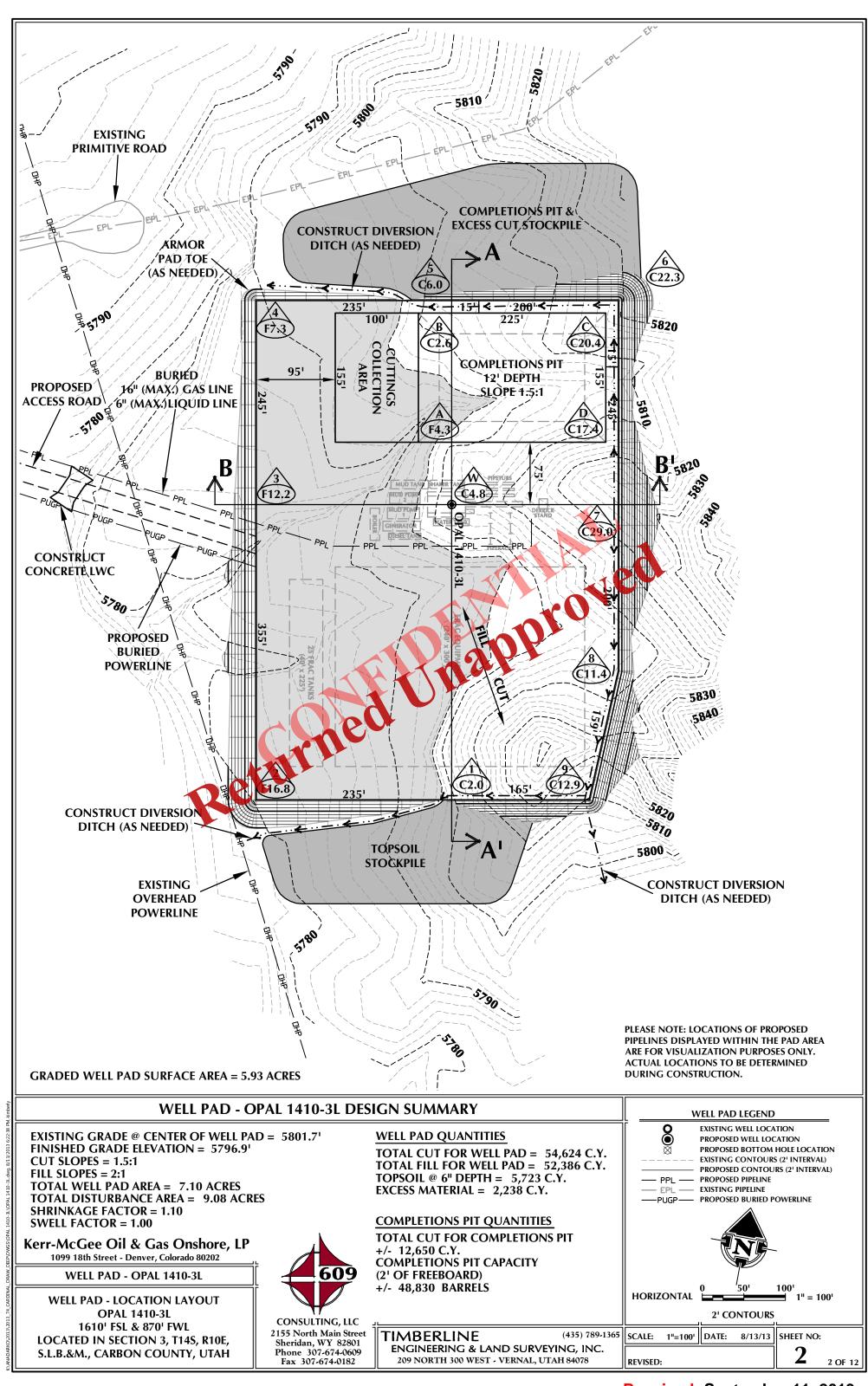
Surveys will be taken at 1,000' minimum intervals.

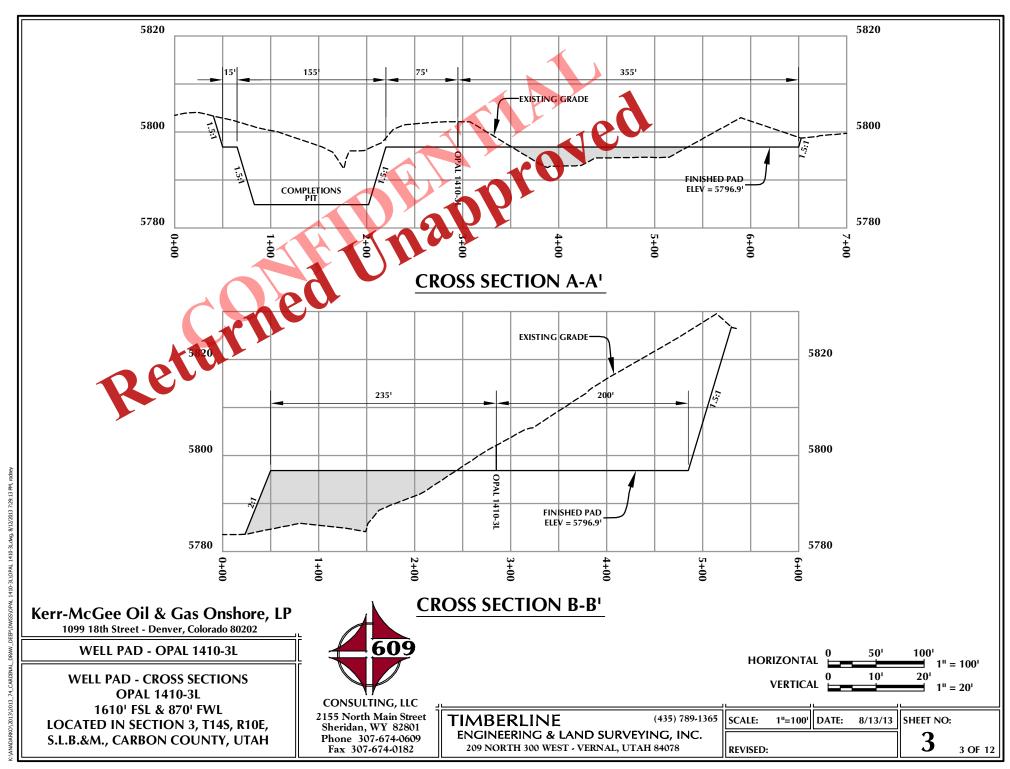
Most rigs have PVT System for mud monitoring. If no PVT is available, visual monitoring will be utilized.

IF extreme mud losses are observed OR cement doesn't reach surface on a well on the pad, a DV Tool may be used. With Cement Baskets above and Below it.

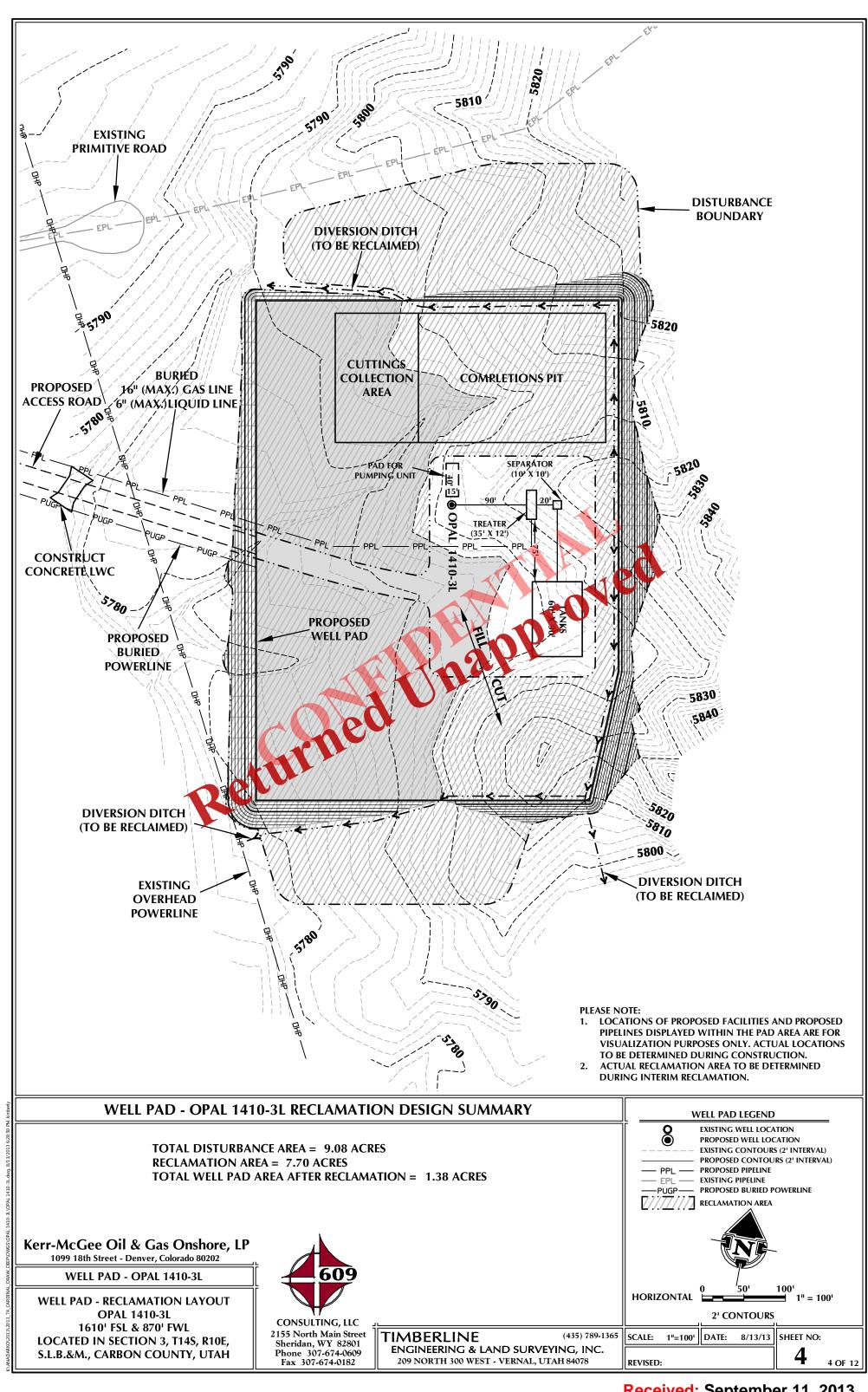
DRILLING ENGINEER:		DATE:	
	Nick Spence / John Tuckwiller / Danny Showers		
DRILLING SUPERINTENDENT:		DATE:	
	Lovel Young		







Received: September 11, 2013





Kerr-McGee Oil & Gas Onshore, LP

1099 18th Street - Denver, Colorado 80202

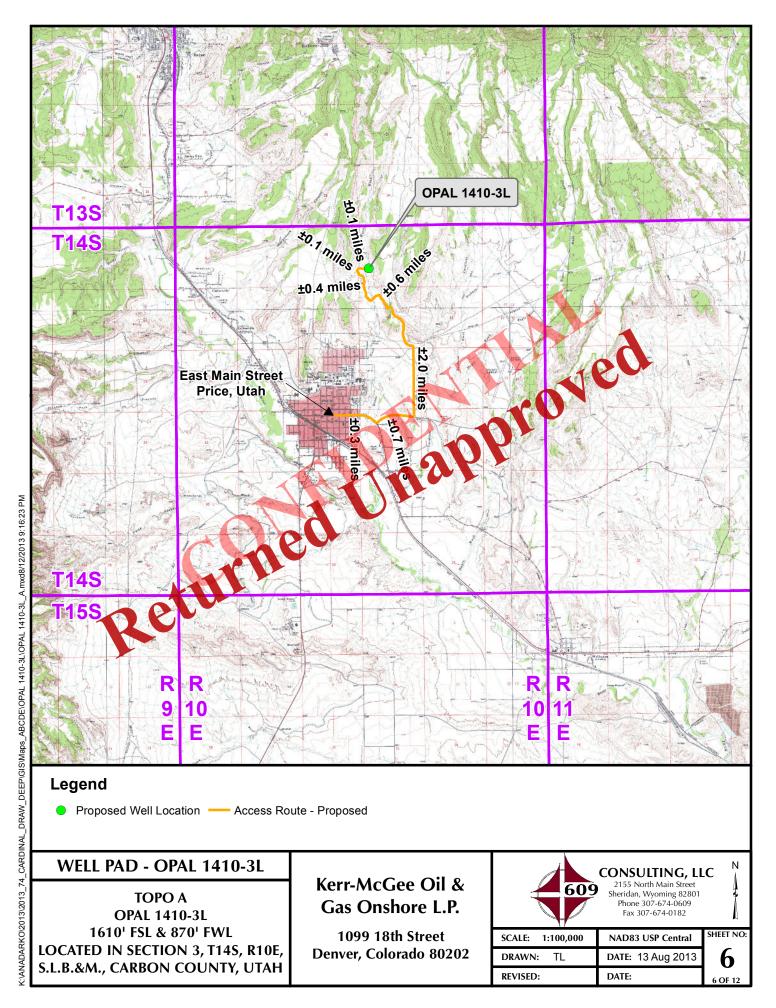
WELL PAD - OPAL 1410-3L

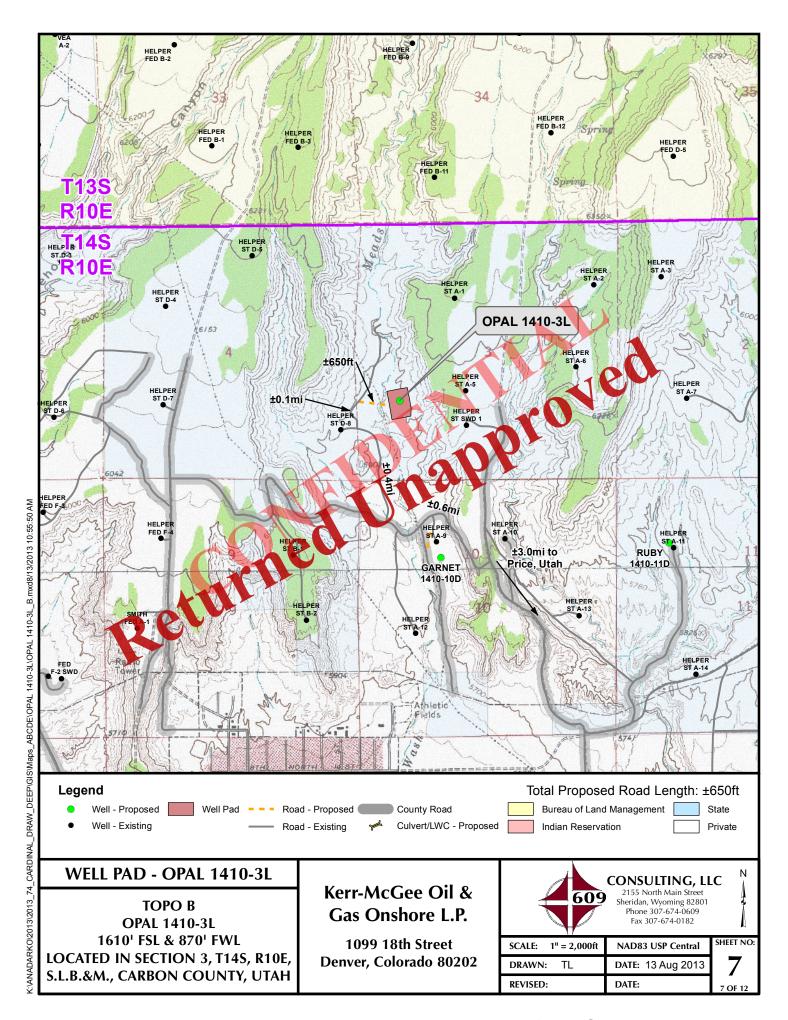
LOCATION PHOTOS
OPAL 1410-3L
1610' FSL & 870' FWL
LOCATED IN SECTION 3, T14S, R10E,
S.L.B.&M., CARBON COUNTY, UTAH.

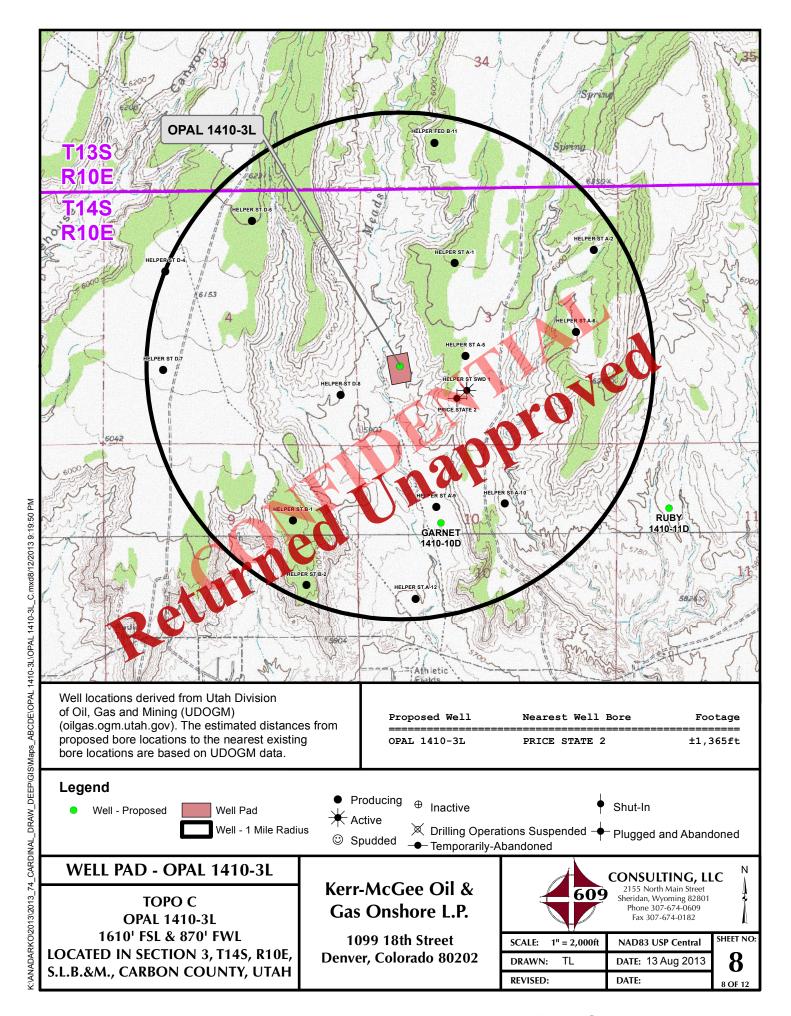


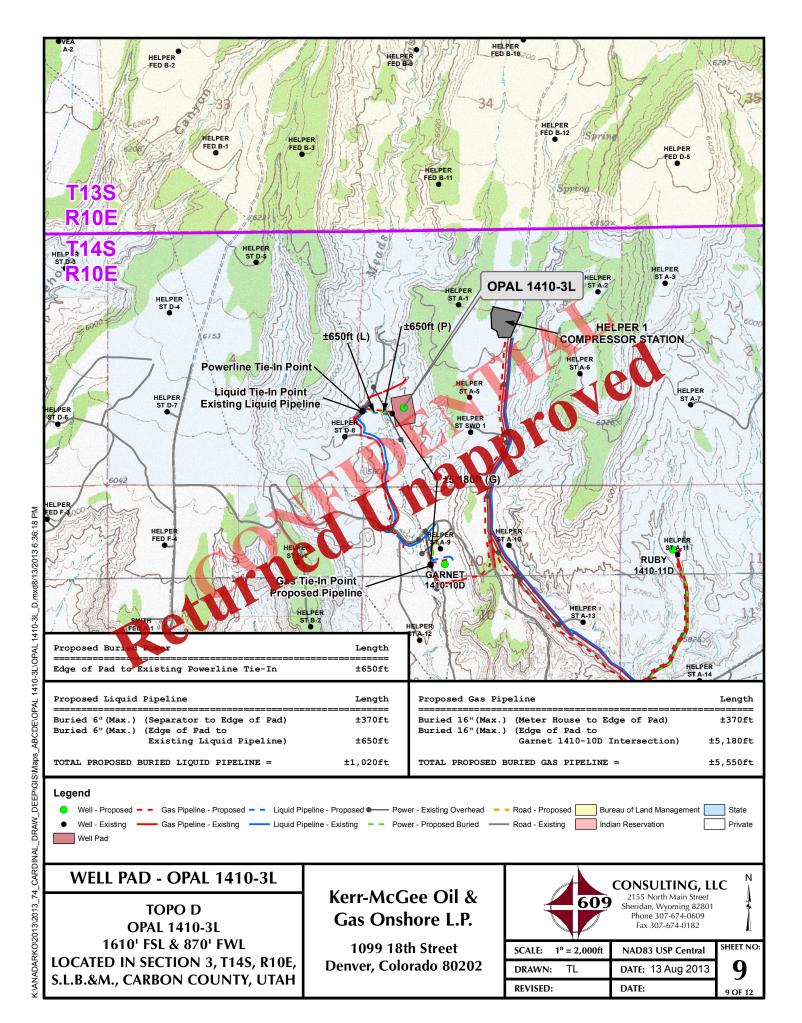
CONSULTING, LLC 2155 North Main Street Sheridan, WY 82801 Phone 307-674-0609 Fax 307-674-0182

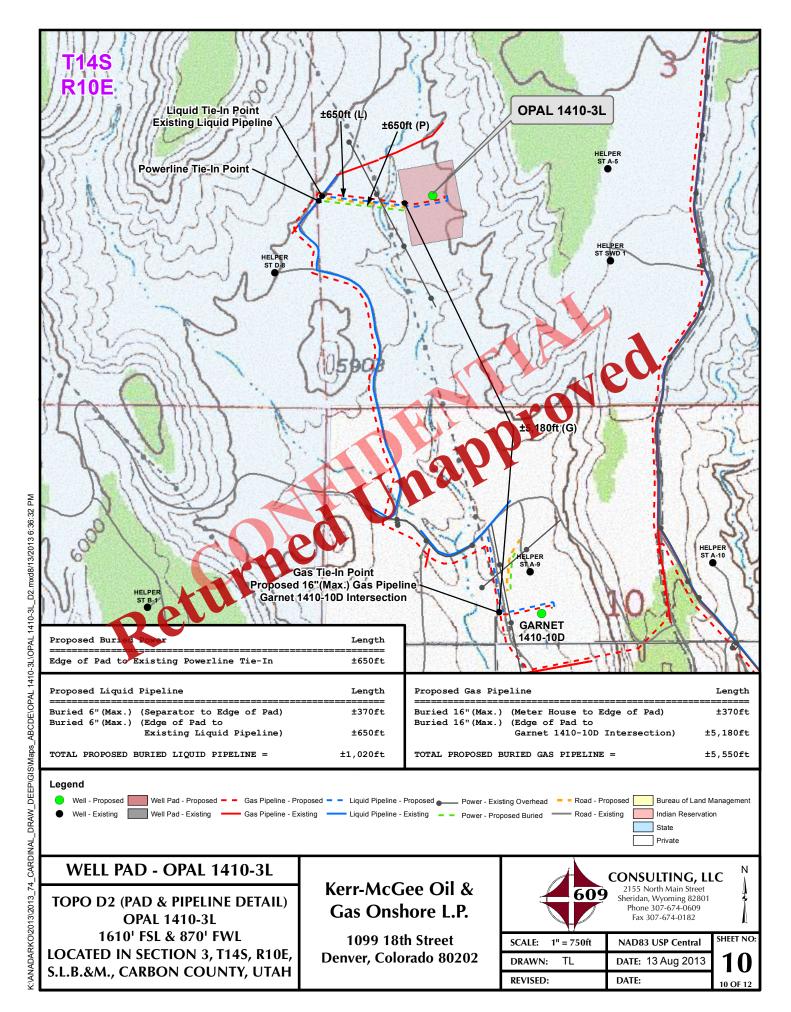
1	TIMBERLIN	35) 789-1365	
	engineering	•	
	209 NORTH 300	WEST - VERNAL, UTAH 840	078
	DATE PHOTOS TAKEN: 7-31-13	PHOTOS TAKEN BY: J.W.	SHEET NO:
	DATE DRAWN: 7-31-13	DRAWN BY: T.J.R.	5
	Date Last Revised:		5 OF 12

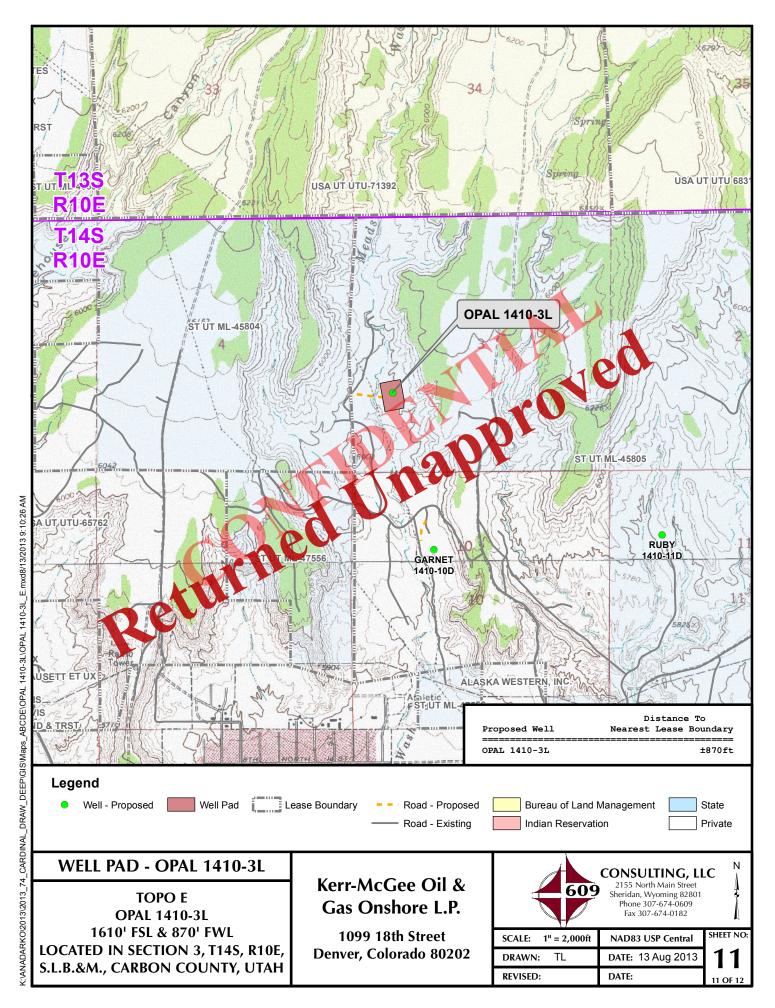












KERR-MCGEE OIL & GAS ONSHORE L.P.

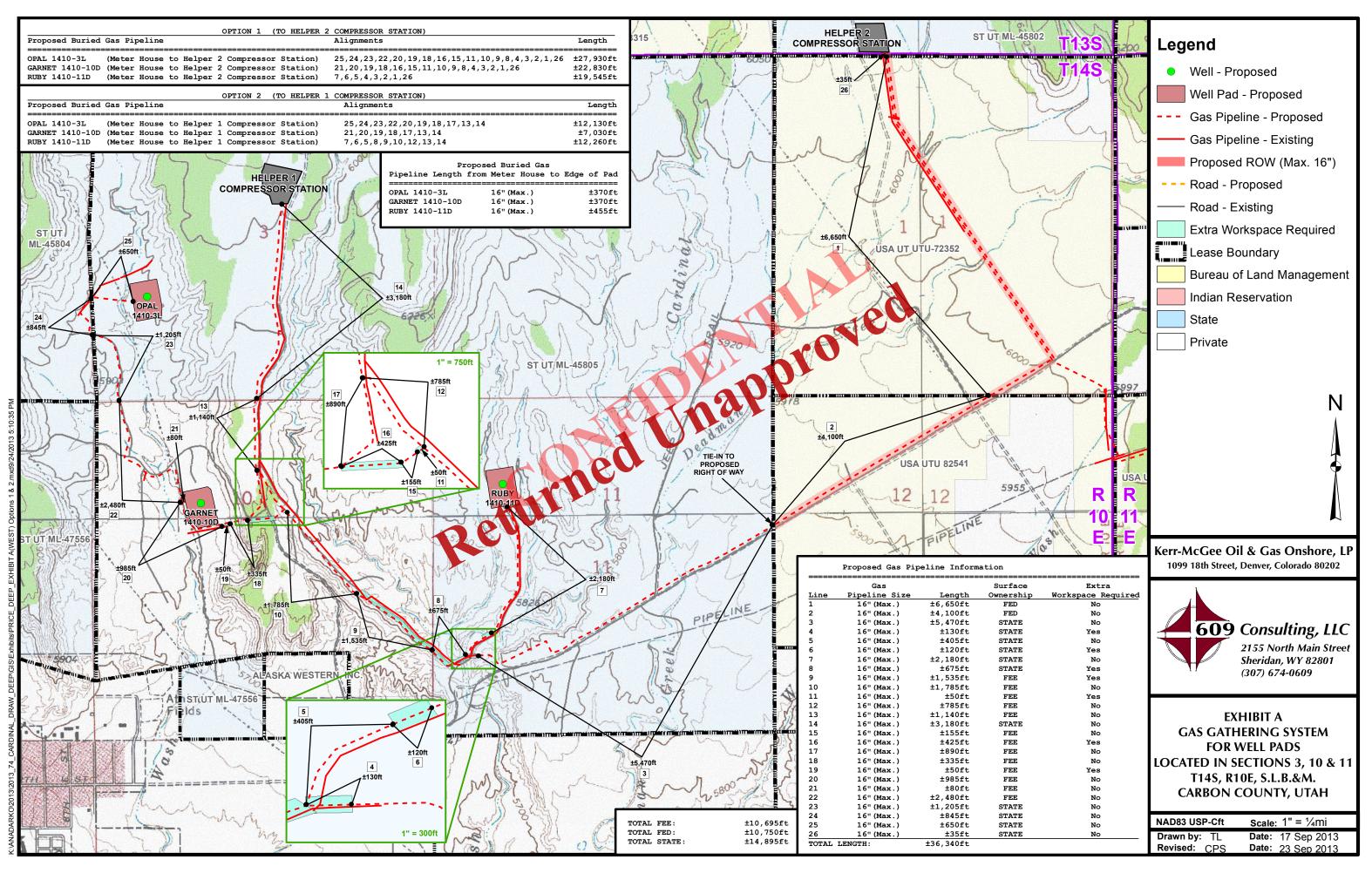
WELL PAD – OPAL 1410-3L WELL – OPAL 1410-3L LOCATED IN SECTION 3 T14S, R10E, S.L.B.&M. CARBON COUNTY, UTAH

Beginning at the intersection of South 7th East Street and East Main Street in Price, Utah, proceed in a southeasterly direction along East Main Street approximately 0.3 miles to the intersection of Airport Road to the east. Exit left and proceed in an easterly direction along Airport Road approximately 0.7 miles to the intersection of Bird Road to the north. Exit left and proceed in a northerly, then northwesterly direction along Rird Road, which becomes Price Kenilworth Road, approximately 2.0 miles to the intersection of an existing road to the west. Exit left and proceed in a westerly, then northwesterly direction along the existing road approximately 0.5 miles to an existing road to the north. Exit right and proceed in a northerly, then northwesterly direction along the existing road approximately 0.4 miles to an existing road to the north. Exit right and proceed in a northerly direction along the existing road approximately 0.1 miles to the proposed access road to the east. Exit right and follow the road flags in an easterly direction approximately 30 feet to the proposed well location.

Total distance from Price, Utah, to the proposed Opal 1410-3L well location is approximately 4.2 miles.

SHEET 12 OF 12

Received: September 11, 2013



OPAL 1410-3L

Surface: 1610 FSL / 870 FWL NWSW Lot BHL: 1610 FSL / 870 FWL NWSW Lot

Carbon County, Utah
Operator: Kerr-McGee Oil & Gas Onshore LP

This SUPO contains surface operating procedures for Kerr-McGee Oil & Gas Onshore LP (KMG), a wholly owned subsidiary of Anadarko Petroleum Corporation (APC) pertaining to actions that involve the State of Utah School and Institutional Trust Lands Administration (SITLA) in the development of minerals leased to APC/KMG (including but not limited to, APDs/SULAs/ROEs/ROWs and/or easements.)

See associated Utah Division of Oil, Gas, and Mining (UDOGM) Form 3(s), plats, maps, and other attachments for site-specific information on projects represented herein.

In accordance with Utah Oil & Gas Conservation Rule R649-3-10 pertaining to Vertical Drilling, these wells will be vertically drilled. Refer to Topo Map A for directions to the location and Topo Maps A and B for location of access roads within a 2-mile radius.

A. Existing Roads:

Existing roads consist of county and improved/unimproved lease roads. KMG vol manutain existing roads in a condition that is the same as or better than before operations began and it as if and usable condition. Maintenance of existing roads will continue until final abandonment and reclamation of well pads and/or other facilities. The road maintenance may include, but is not limited to, bladding, thicking, culvert installation/cleanout, surfacing, and dust control.

Typically, roads, gathering lines and electrical distribution lines will occupy common disturbance corridors and roadways will be used as working pace. All disturbances located in the same corridor will overlap each other to the maximum extent possible in the case will the maximum disturbance width of the access road and utility corridors exceed 50°, and each otherwise approved.

B. Planned Acces Roads

Approximately = 650' (0.12 miles) of road re-route is proposed (see Topo Map B). Applicable Carbon County energy and/or pipeline crossing permits will be obtained prior to construction/development. No other pipelines will be crossed at this location.

If there are roads that are new or to be reconstructed, they will be located, designed, and maintained to meet the standards of SITLA and other commonly accepted Best Management Practices (BMPs). If a new road/corridor were to cross a water of the United States, KMG will adhere to the requirements of applicable Nationwide or Individual Permits of the Department of Army Corps of Engineers.

During the onsite, turnouts, major cut and fills, culverts, bridges, gates, cattle guards, low water crossings, or modifications needed to existing infrastructure/facilities were determined, as applicable, are typically shown on attached Exhibits and Topo maps.

C. Location of Existing and Proposed Facilities:

Production facilities (see Well Pad Design Summary and Facilities Diagram):

Production facilities will be installed on the disturbed portion of the well pad and may include bermed components (typically excluding dehy's and/or separators) that contain fluids (i.e. production tanks, produced liquids tanks). The berms will be constructed of compacted subsoil or corrugated metal, impervious, designed to hold 110% of the capacity of the largest tank, and be independent of the back cut. All permanent (on-site six months or longer) above ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earth-tone color chosen at the onsite in coordination with SITLA.

Gathering Facilities:

The following pipeline transmission facilities will apply if the well is productive (see Exhibit A and Topo D) Please see the two pipeline transmission facility options below:

The first option for the total Gas Gathering (steel line pipe with fusion bond epoxy coating) Pipeline distances from the meter to the Proposed BLM ROW tie-in point at $\pm 17,145$ ' and the individual segments are broken up as follows:

The following segments are "onlease", no ROW needed.

- ±370' (0.07 miles) –Proposed 16" (Max.) buried gas pipeline from the meter to the edge of the pad. Please refer to Exhibit A.
- ±650' (0.12 miles) Proposed 16" (Max.) buried ges pineline from the edge of the pad to the section 3 section line intersection. Please beta to time 25 on Exhibit A.
- ±845' (0.16 miles) Proposed 16' (Max.) Duried gas pipeline from the section line into section 4 and back to the section 3 section line. Please refer to Line 24 on Exhibit A.
- ±1205 (0.23 miles) Proposed 16" (Max.) buried gas pipeline from the section line in section 3 to the fee surface intersection in section 10. Please refer to Line 23 on Exhibit A.

The following segments are on Fee Surface.

28700' (1.65 miles) – Proposed 16" (Max.) buried gas pipeline on fee surface in section 10 with pending SUA. Please refer to Line 22, 20, 19, 18, 16, 15, 11, 10, and 9 on Exhibit A.

The following segments are "onlease", no ROW needed.

- ±675' (0.13 miles) –Proposed 16" (Max.) buried gas pipeline from the fee surface in section 10 to the Ruby 1410-11D intersection. Extra workspace required, need a temporary 70' construction right-of-way. Please refer to line 8 on Exhibit A.
- $\pm 130^{\circ}$ (0.02 miles) –Proposed 16" (Max.) buried gas pipeline from the Ruby 1410-11D intersection to 130' to the West. Extra workspace required, need a temporary 70' construction right-of-way. Please refer to line 4 on Exhibit A.
- ±5470' (1.04 miles) –Proposed 16" (Max.) buried gas pipeline from 130' West of the Ruby intersection to the Proposed BLM ROW tie in point at the section 11 section line. Please refer to line 3 on Exhibit A.

The second option for the total Gas Gathering (steel line pipe with fusion bond epoxy coating) Pipeline distances from the meter to the tie in point at the Helper 1 Compressor Station is $\pm 12,130$ ' and the individual segments are broken up as follows:

The following segments are "onlease", no ROW needed.

- ±370' (0.07 miles) –Proposed 16" (Max.) buried gas pipeline from the meter to the edge of the pad. Please refer to Exhibit A.
- ±650' (0.12 miles) –Proposed 16" (Max.) buried gas pipeline from the edge of the pad to the section 3 section line intersection. Please refer to Line 25 on Exhibit A.
- ±845' (0.16 miles) –Proposed 16" (Max.) buried gas pipeline from the section line into section 4 and back to the section 3 section line. Please refer to Line 24 on Exhibit A.
- ± 1205 ' (0.23 miles) –Proposed 16'' (Max.) buried gas pipeline from the section line in section 3 to the fee surface intersection in section 10 . Please refer to Line 23 on Exhibit A.

The following segments are on Fee Surface.

±5880' (1.11 miles) –Proposed 16" (Max.) buried gas pipeline on fee surface in section 10 with pending SUA. Please refer to Line 22, 20, 19, 18, 17, and 13 on Exhibit A.

The following segments are "onlease", no ROW needed.

±3180' (0.60 miles) –Proposed 16" (Max.) buried gas pipeline from the fee surface in section 10 to the Helper 1 Compressor Station in section 3. Please refer to line 14 or Educit 2.

The total Liquid Gathering Pipeline distance from the separator to the tie in point is 102 and the individual segments are broken up as follows:

The following segments are "onlease", no ROW needed.

- ±375' (0.07 miles) Proposed 6" (Max.) turied liquid pipeline from the seperator to the edge of the pad.

 Please refer to Tong D Pad and Pipeline Detail.
- ±650 (0.12 miles) Proposed 6" (Max.) buried liquid pipeline from the edge of the pad to the existing liquid the invoint at the section 3 section line. Please refer to Topo D- Pad and Pipeline Detail.

The total Buried Poye, distance from the separator to the tie in point is ± 650 ' and the individual segments are broken up as follows:

The following segments are "onlease", no ROW needed.

 $\pm 650'$ (0.12 miles) –Proposed buried power from the edge of the pad to the existing powerline tie in point at the section 3 section line. Please refer to Topo D- Pad and Pipeline Detail.

The liquid gathering lines will be made of polyethylene or a composite polyethylene/steel or polyethylene/fiberglass that is not subject to internal or external pipe corrosion. Trunk line valve connections for the water gathering system will be below ground but accessible from the surface in order to prevent freezing during the winter time.

KMG requests a temporary 45' construction right-of-way and a 30' permanent right-of-way. Where the pipeline is adjacent to the road or well pad, the road and/or well pad will be utilized for construction activities and staging. KMG requests in certain staging areas where additional workspace is needed a 70' right-of-way. Please see segments specified in above gathering infrastructure as well as the Exhibit A.

The proposed trench width for the pipeline would range from 18-48 inches and will be excavated to a depth of 48 to 60 inches of normal soil cover or 24 inches of cover in consolidated rock. During construction blasting may occur along the proposed right-of-way where trenching equipment cannot cut into the bedrock. Large debris and rocks removed from the earth during trenching and blasting that could not be returned to the trench would be distributed evenly and naturally in the project area. The proposed pipelines will be pressure tested pneumatically (depending on size) or with fluids (either fresh or produced). If fluids are used, there will be no discharge to the surface.

Pipeline signs will be installed along the right-of-way to indicate the pipeline proximity and ownership, as well as to provide emergency contact phone numbers. Above ground valves, T's, and/or cathodic protection will be installed at various locations for connection, corrosion prevention and/or for safety purposes.

D. <u>Location and Type of Water Supply</u>:

Water for drilling purposes will be obtained from one of the following sources:

Helper State SWD #1:

1980' FNL & 2500' FEL, Sec. 3 - T13N - R11E

Tap Point Price City:

Sec. 10 – T148 – R10E 1057' FNL & 390' FWL, Sec. 1 – T6S – R22E 1239' FNL & 52' FEL, Sec. 6 – T6S – R23E

Water will be hauled to location over the roads marked on Maps A and E

E. Source of Construction Materials:

Construction operations will typically be completed with native materials found on location. If needed, construction materials that must be imported to the site (mineral material aggregate, soils or materials suitable for fill/surfacing) will be obtained from a nearby permitted source and described in subsequent Sundry requests. No construction materials will be removed from State lands without prior approval from SITLA.

F. Methods for Handling Waste Materials:

Should the well be productive, produced water will be contained in a water tank and will be transported by pipeline and/or truck to an approved disposal sites facilities and/or Salt Water Disposal (SWD) injection well. Currently, those facilities are:

ECDC Landfill Disposal in East Carbon County

SWD #1: 13S 11E Section 3 SWD 44-6: 14S 11E section 6 SWD 22-4: 14S 11E section 4 SWD 31-30: 14S 11E section 30 SWD 41-25: 14S 11E section 25 SWD F-2: 14S 10E section 8 Kerr-McGee will use either a closed loop drilling system that will require one pit and one cuttings storage area to be constructed on the drilling pad or a traditional drilling operation with one pit used for drilling and completion operations. The cuttings storage area will be used to contain only the de-watered drill cuttings and will be lined and bermed to prevent any liquid runoff. The drill cuttings will be buried in the completion pit once completion operations are completed according to traditional pit closure standards. The pit will be constructed to allow for completion operations. The completion operations pit will be lined with a synthetic material 20 mil or thicker and will be used for the completing of the wells on the pad or used as part of our Aandarko Completions Transportation System (ACTS). Using the closed loop drilling system will allow Kerr-McGee to decrease the amount of disturbance/footprint on location compared to a single large drilling/completions pit.

If Kerr-McGee does not use a closed loop drilling system, it will construct a traditional drilling/completions pit to contain drill cuttings and for use in completion operations. The pit will be lined with a synthetic material 20 mil or thicker. The drill cuttings will be buried in the pit using traditional pit closure standards.

Unless otherwise approved, no oil or other oil based drill additives, chromium/metals-based, or saline muds will be used during drilling. Only fresh water, biodegradable polymer soap, bentonite clay, and /or non-toxic additives will be used in the system.

Pits will be constructed to minimize the accumulation of surface runoff. Should fluid hydrocarbons be encountered during drilling, completions, or well testing, product will either be contained in test tanks on the well-sit or evaluated by vacuum trucks and transported to an approved disposal/sales facility. Netting will be placed over the before any liquids are discharged into the pit. Should hydrocarbons be released into a reserve/completion pit the will be removed as soon as practical and before the netting is removed from the pit. Similarly, hydrocarbon removal will take place prior to the closure of the pit, unless authorization is provided for disposal via alternate pit closure methods (e.g. solidification).

Any additional pits necessary for subsequent operations, such as temporary flare pits, or workover pits, will contained within the originally approved well pad and disturbance councaries. Such temporary pits will be backfilled and reclaimed within 180 days of completion of the work.

For the protection of livestock and vild ife, all open pits (excluding flare pits) will be fenced or netted to prevent wildlife or livestock entry

Pits containing delting detings, mud, and/or completions fluids will be allowed to dry. Any free fluids remaining after after a very comments from reaching total depth, date of completion, and/or determination of inactivity will be removed (as weather conditions allow) to an approved site and the pit reclaimed. Additional drying methods may include fly-ash solidification or sprinkler evaporation. Installation and operation of any sprinklers, pumps, and quipment will ensure that water spray or mist does not drift. Reserve pit liners will be cut off or folded as near to the mud surface as possible and as safety considerations allow and buried on location.

No garbage or non-exempt substances as defined by Resource Conservation and Recovery Act (RCRA) subtitle C will be placed in the reserve pit. All refuse generated during construction, drilling, completion, and well testing activities will be contained in an enclosed receptacle, removed from the drill locations promptly, and transported to an approved disposal facility.

Portable, self-contained chemical toilets and/or sewage processing facilities will be provided for human waste disposal. Upon completion of operations, or as required, the toilet holding tanks will be pumped and the contents disposed of in an approved sewage disposal facility. All applicable regulations pertaining to disposal of human and solid waste will be observed.

Any undesirable event, including accidental release of fluids, or release in excess of reportable quantities, will be managed according to the notification requirements of UDOGMs "Reporting Oil and Gas Undesirable Events" rule. Where State wells are participatory to a Federal agreement, according to NTL-3A, the appropriate Federal agencies will be notified.

Materials Management

Hazardous materials above reportable quantities will not be produced by drilling or completing proposed wells or constructing the pipelines/facilities. The term "hazardous materials" as used here means: (1) any substance, pollutant, or containment listed as hazardous under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) of 1980, as amended 42 U.S.C. 9601 et seq., and the regulations issued under CERCLA; and (2) any hazardous waste as defined in RCRA of 1976, as amended. In addition, no extremely hazardous substance, as defined in 40 CFR 355, in threshold planning quantities, would be used, produced, stored, transported, or disposed of while producing any well.

Chemicals subject to reporting under Title III of the Superfund Amendments and Reauthorization Act (SARA) in quantities of 10,000 pounds or more may be produced and/or stored at production facilities and may be kept in limited quantities on drilling sites and well locations for short periods of time during drilling or completion activities. provei

G. **Ancillary Facilities:**

None are anticipated.

Well Site Layout (see Well Pad Design Summary):

The location, orientation and aerial extent of each drill pad; mpletion/flare pit; access road ingress/ egress points, drilling rig, dikes/ditches, existing wells structure; proposed cuts and fills; and topsoil and spoil material stockpile locations are depicted on exhibits for each project, where applicable. Site-specific equipment and facility layout; however, the area of disturbance, conditions may require slight deviation in actual as described in the survey, will not be ceeded.

Coordinates are provided in the National Spatial Reference System, North American Datum, 1927 (NAD27) or on. Detances are depicted on each plat to the nearest two adjacent section lines.

mation of the Surface: Plans for

urface reclamation will be undertaken in two phases: interim and final. Interim reclamation is conducted following well completion and extends through the period of production. This reclamation is for the area of the well pad that is not required for production activities. Final reclamation is conducted following well plugging/conversion and/or facility abandonment processes.

Reclamation activities in both phases may include but is not limited to the re-contouring or re-configuration of topographic surfaces, restoration of drainage systems, segregation of spoils materials, minimizing surface disturbance, re-evaluating backfill requirements, pit closure, topsoil redistribution, soil treatments, seeding and weed control.

Interim Reclamation

Interim reclamation includes pit closure, re-contouring (where possible), soil bed preparation, topsoil placement, seeding, and/or weed control.

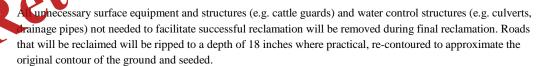
Interim re-contouring involves bringing all construction material from cuts and fills back onto the well pad and site and reestablishing the natural contours where desirable and practical. Fill and stockpiled spoils no longer necessary to the operation will be spread on the cut slopes and covered with stockpiled topsoil. All stockpiled top soils will be used for interim reclamation where practical to maintain soil viability. Where possible, the land surface will be left "rough" after re-contouring to ensure that the maximum surface area will be available to support the reestablishment of vegetative cover.

A reserve pit, upon being allowed to dry, will be backfilled and compacted with cover materials that are void of any topsoil, vegetation, large stones, rocks or foreign objects. Soils that are moisture laden, saturated, or partially/completely frozen will not be used for backfill or cover. The pit area will be mounded to allow for settling and to promote positive surface drainage away from the pit.

Final Reclamation

Final reclamation will be performed for newly drilled unproductive wells and/or at the end of the life of productive well. As soon as practical after the conclusion of drilling and testing operations, improductive drill holes will be plugged and abandoned (P&A). Site and road reclamation will commence following plugging. In no case will reclamation at non-producing locations be initiated later than six (6) months from the date a well is plugged. A joint inspection of the disturbed area to be reclaimed may be requested by KMG. The primary purpose of this inspection will be to review the existing conditions or agree upon a revised final reclamation and abandonment plan. A Notice of Intent to Abandon will be filed for final recommendations regarding surface reclamation.

After plugging, all wellhead equipment that is as longer needed will be removed, and the well site will be reclaimed. Final contouring will blend with and follow as closely as practical the natural terrain and contours of the original site and surrounding areas. After re-contouring, final grading will be conducted over the entire surface of the well site and access roat. Where practical, the area will be ripped to a depth of 18 to 24 inches on 18 to 24-inch centers and surface materials will be pitted with small depressions to form longitudinal depressions 12 to 18 inches deed per penalcular to the natural flow of water.



Upon successfully completing reclamation of a P&A location, a Final Abandonment Notice will be submitted to UDOGM.

Seeding and Measures Common to Interim and Final Reclamation

Reclaimed areas may be fenced to exclude grazing and encourage re-vegetation.

On slopes where severe erosion can become a problem and the use of machinery is not practical, seed will be hand broadcast and raked with twice the specified amount of seed. The slope will be stabilized using materials specifically designed to prevent erosion on steep slopes and hold seed in place so vegetation can become permanently established. These materials will include, but are not limited to, erosion control blankets and bonded fiber matrix at a rate to achieve a minimum of 80 percent soil coverage.

Seeding will occur year-round as conditions allow. Seed mixes appropriate to the native plant community as determined and specified for each project location based on the site specific soils will be used for re-vegetation. The site specific seed mix will be provided by SITLA.

Tommy Thompson

PO Box 173779

(720) 929-6724

General Manager, Drilling Kerr-McGee Oil & Gas Onshore LP

Denver, CO 80217-3779

J. Surface/Mineral Ownership:

SITLA 675 East 500 South, Suite 500 Salt Lake City, UT 84102

L. Other Information:

None

M. Lessee's or Operators' Representative & Certification:

Cara Mahler Regulatory Analyst I Kerr-McGee Oil & Gas Onshore LP PO Box 173779 Denver, CO 80217-3779 (720) 929-6156

applicable Notice to Lessees.

Denver, CO 80217-3779
(720) 929-6156

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Kerr-McGee Oil & Gas Onshore LP is considered to be the operator of the subject well. Kerr-McGee Oil & Gas Onshore LP agrees to be responsible under terms and conditions of the lease for the operations conducted upon leased lands.

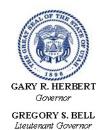
Bond coverage for State lease activities is provided by State Surety Bond 22013542, and for applicable Poderal lease activities and pursuant to 43 CFR 3104, by Bureau of Land Management Nationwide Bond WY 800 291.

I hereby certify that I, or persons under my supervision, have inspected the roops a drill fit and access route, that I am familiar with the conditions that currently exist; that I have fur knowledge of the State and Federal laws applicable to this operation; that the statements made in this plan are to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is uptrouch. I also certify that I, or the company I represent, am responsible for operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of Talke statements.

Cara Mahler

September 30, 2013

Date



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA

Division Director

October 03, 2013

KERR-MCGEE OIL & GAS ONSHORE, L.P. P.O. Box 173779 Denver, CO 80217

Application for Permit to Drill - UINTAH County, Utah Re:

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the OPAL 1410-3L well, API 43047540310000 that was submitted October 03, 2013 is being returned unapproved. If you plan on drilling this well in the future, you must first submit a new application.

Should you have any questions regarding this matter, please call me at (801) 538-5312.

Sincerely,

Diana Mason **Environmental Scientist**

Enclosure

cc: Bureau of Land Management, Vernal, Utah

